

**OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE  
EXECUTIVE OFFICE OF THE PRESIDENT  
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**FOR IMMEDIATE RELEASE:  
FEBRUARY 12, 2003**

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**Statement of Richard Mills  
USTR Spokesman**

**Re: WTO Agriculture Report**

"We appreciate that the chairman of the agriculture negotiations in the WTO has submitted a specific first draft of proposals to reform world farm trade. The chairman's paper is thoughtful, detailed, and on schedule. As he notes, the WTO needs to eliminate export subsidies. The United States believes, however, that this step needs to be matched by deeper cuts in tariffs and trade-distorting domestic subsidies if we are to seize this once in a generation opportunity to reform the serious distortions in global agricultural trade. And to be fair, these reforms must go much, much, further toward harmonization by narrowing the vast disparities among countries in subsidies and tariffs. The United States will keep pressing hard for a reformed and more equal agricultural trading system for developed and developing countries alike. We hope the chairman's paper will provide an impetus for moving the negotiations forward on agriculture and the entire Doha Development Agenda. In the coming days we will study the details of the chair's proposal and work with other members to strengthen the specific elements of reforms in the draft."

**Background.** The United States has proposed substantial reforms in agricultural trade through the WTO negotiations. The U.S. proposal calls for elimination of export subsidies, ending special privileges of export state trading enterprises, and disciplining all export credit programs. The U.S. proposal calls for substantial reductions in tariffs, bringing the average allowed tariff down from the current 62% to 15% and ensuring no individual tariff is greater than 25%. The U.S. proposal calls for substantial cuts in allowed levels of trade distorting support -- reducing it by over \$100 billion a year -- through a formula that establishes an equitable ceiling across all WTO members, and ensures all trade-distorting support is subject to quantitative limits.